The Economic Development of Guatemala
The Economic Development of
GUATEMALA

REPORT OF A MISSION

sponsored by the
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

in collaboration with
THE GOVERNMENT OF GUATEMALA

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C.
1951
June 15, 1951

His Excellency
Coronel Jacobo Arbenz Guzman
President of the Republic of Guatemala
Guatemala City, Guatemala, CA

My dear Mr. President:

I take pleasure in transmitting to you herewith the Report of the Mission to Guatemala, headed by Dr. G. E. Britnell, which was organized last year under the sponsorship of the International Bank for Reconstruction and Development in cooperation with the Government of Guatemala.

In the opinion of the International Bank, the Report provides an objective analysis of the potentialities and problems in the economic development of Guatemala. The Bank has not had the opportunity to consider fully the many recommendations contained in the Report and, therefore, these should be regarded as suggestions for consideration by your Government rather than as positive recommendations of the Bank. Nevertheless, we believe that the analyses and recommendations made by the Mission deserve the most careful consideration by the Government and people of Guatemala. The conclusions of the Mission will be fully effective only if they serve as a basis and a guide in the preparation, by the Guatemalan authorities themselves, of a sound, integrated, and well balanced development program.

We share the hope expressed by Dr. Britnell in his letter of transmittal that the Report will be widely studied and discussed from an objective, nonpolitical viewpoint, so that
its major implications may be fully understood and so that actions based on it can enlist broad support from the Guatemalan people. Only with such full understanding and support can the Mission's recommendations be translated into a Guatemalan national development program. The Bank is prepared to provide or to arrange for such other assistance as the Government might need or wish in studying the Report and working out a development program.

The Bank will be greatly interested to follow the progress made in Guatemala to promote understanding and expedite application of the measures recommended by the Mission. It is our intention to undertake simultaneously a complete study of the Report so that we will be in a position at the appropriate time to discuss with your Government a development program which you may decide to carry out and also to consider possible ways in which the Bank can help in the realization of the program through technical and financial assistance or by other means.

It is my sincere hope that this Report may be of positive and lasting benefit to the Republic of Guatemala.

Sincerely yours,

Eugene R. Black
June 15, 1951

Mr. Eugene R. Black
President
International Bank for Reconstruction and Development
Washington, D. C.

Dear Mr. Black:

I take pleasure in submitting herewith the Report of the Economic Survey Mission to Guatemala sponsored by the International Bank for Reconstruction and Development in collaboration with the Government of Guatemala. This Report is based on studies made by the Mission in Guatemala and includes specific analyses of certain fields such as agriculture, industry, mining, transportation, communications and power.

A separate summary outlines the major conclusions and recommendations of the Mission. The main Report contains more detailed analyses as well as supporting factual material.

I should like, on behalf of the Mission, to record our appreciation of the assistance we received from so many sources to facilitate our work in Guatemala. President Juan José Arevalo and a number of his Ministers showed a sustained interest in the work of the Mission.

Our hosts in the Instituto de Fomento de la Producción, from the President of the Executive Board, Ingeniero Juan Angel Nunez Aguilar, and the General Manager of the Institute, Lic. Carlos Leonidas Acevedo, to the most modest working levels, left nothing undone to help the Mission carry out its work successfully. The physical arrangements provided by INFOP were admirable, and the cordiality we encountered
everywhere was most gratifying. In particular, I should like to express our thanks to the Executive Board, the Technical Council, and the staff of INFOP for their splendid cooperation. Dr. Eduardo Montealegre, Manager of the Department of Fomento, and his successor, Dr. Gabriel Orellana, gave us untiring assistance without which the basic material required for this Report could not have been assembled.

The Bank of Guatemala also rendered invaluable help. We are deeply indebted to Dr. Noriega Morales and his competent staff, both for their collaboration and for the wealth of economic information furnished by them.

I regret that I cannot list by name the scores of officials and private citizens in all walks of life, as well as the many non-Guatemalans, who offered so generously of their time and knowledge in answering our innumerable questions.

I am most grateful to the individual members of the Mission for the enthusiasm, enterprise and cooperation which they brought to their tasks. I particularly wish to express my appreciation to Mr. Georges de Fleurieu, Senior Economist of the Bank, who, following the return of the Mission, carried a double burden in working on the Report as well as performing his regular duties. Dr. Francis Godwin was of invaluable assistance in editing the Report.

In studying the Report and in carrying out its recommendations, the Guatemalan authorities will undoubtedly be able to elaborate our findings and to extend them to other fields. I am sure I speak on behalf of the entire Mission in expressing the hope that our Report will contribute, in some measure at least, to the further development of the Guatemalan economy and to the improvement of the living standards of the Guatemalan people.

Sincerely yours,

[Signature]

Chief of Mission